

AMENDED IN ASSEMBLY JULY 16, 2003

AMENDED IN ASSEMBLY JUNE 26, 2003

AMENDED IN SENATE MARCH 27, 2003

SENATE BILL

No. 413

Introduced by Senator Speier
(Coauthors: Senators Alpert and Kuehl)
(Coauthors: Assembly Members Koretz and Lieber)

February 20, 2003

An act to amend Section 9757.5 of the Welfare and Institutions Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 413, as amended, Speier. Health insurance counseling: fees.

Existing law requires the California Department of Aging to assess annually a fee of not less than \$0.70, but not more than \$1, on a health care service plan for each person enrolled with a health care service plan as of December 31 of the previous year under a prepaid Medicare program that serves Medicare eligible beneficiaries within the state to offset the cost of counseling seniors on health maintenance organizations, and would transfer the money to the State HICAP Fund for implementation of the statewide Health Insurance Counseling and Advocacy Program, upon appropriation by the Legislature.

This bill would permit the department to increase the amount of the fee to not more than \$1.20, and would require the department to also assess the fee annually on a health care service plan for each enrollee under a Medicare supplement contract, including a Medicare Select contract, as of December 31 of the previous year.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 9757.5 of the Welfare and Institutions
2 Code is amended to read:
3 9757.5. (a) The California Department of Aging shall assess
4 annually a fee of not less than seventy cents (\$0.70), but not more
5 than one dollar and twenty cents (\$1.20), on a health care service
6 plan for each person enrolled in a health care service plan as of
7 December 31 of the previous year under a prepaid Medicare
8 program that serves Medicare eligible beneficiaries within the
9 state, and on a health care service plan for each enrollee under a
10 Medicare supplement contract, including a Medicare Select
11 contract, as of December 31 of the previous year, to offset the cost
12 of counseling ~~seniors~~ *Medicare eligible beneficiaries* on the
13 benefits and programs available through health maintenance
14 organizations instead of the traditional Medicare provider system.
15 (b) All fees collected pursuant to this section shall be deposited
16 into the State HICAP Fund for the implementation of the Health
17 Insurance Counseling and Advocacy Program, and shall be
18 available for expenditure for activities as specified in ~~subdivision~~
19 ~~(e) of~~ Section 9541 when appropriated by the Legislature.
20 (c) The department may use up to 7 percent of the fee collected
21 pursuant to subdivision (a) for the administration, assessment, and
22 collection of that fee.
23 (d) It is the intent of the Legislature, in enacting this act and
24 funding the Health Insurance Counseling and Advocacy Program,
25 to maintain a ratio of two dollars (\$2) collected from the Insurance
26 Fund to every one dollar (\$1) collected pursuant to subdivision (a).
27 This ratio shall be reviewed by the Department of Finance within
28 30 days of January 1, 1999, and biennially thereafter to examine
29 changes in the demographics of Medicare imminent populations,
30 including, but not limited to, the number of citizens residing in
31 California 55 years of age and older, the number and average
32 duration of counseling sessions performed by counselors of the
33 Health Insurance Counseling and Advocacy Program, particularly
34 the number of counseling sessions regarding prepaid Medicare
35 programs and counseling sessions regarding Medi-Gap programs,

1 and the use of other long-term care and health-related products.
2 Upon review, the Department of Finance shall make
3 recommendations to the Joint Legislative Budget Committee
4 regarding appropriate changes to the ratio of funding from the
5 Insurance Fund and the fees collected pursuant to subdivision (a).

6 (e) It is the intent of the Legislature that the revenue raised from
7 the fee assessed pursuant to subdivision (a), and according to the
8 ratio established pursuant to subdivision (d), be used to partially
9 offset and reduce the amount of revenue appropriated annually
10 from the Insurance Fund for funding of the Health Insurance
11 Counseling and Advocacy Program.

12 (f) There shall be established in the State Treasury a “State
13 HICAP Fund” administered by the California Department of
14 Aging for the purpose of collecting fee assessments described in
15 subdivision (a), and for *the sole purpose of* funding the Health
16 Insurance Counseling and Advocacy Program.

17 *SEC. 2. It is the intent of the Legislature through this act that*
18 *the assessments pursuant to Section 9757.5 for the 2004–05 fiscal*
19 *year shall reflect the number of enrolled Medicare beneficiaries*
20 *and fee changes as reflected in Section 1 of this act. It is further the*
21 *intent of the Legislature through this act to provide funding from*
22 *state sources for the Health Insurance Counseling and Advocacy*
23 *Program in the 2004–05 fiscal year in an amount that is equivalent*
24 *to the total funding provided for the Health Insurance Counseling*
25 *and Advocacy Program in the 2002–03 fiscal year.*

